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POLICY

Voluntary - Public

Date: 11/23/2009

GAIN Report Number: VE9092

Venezuela

Post: Caracas

Official Gazette Notice on Coffee Processors Expropriation

Report Categories:

Coffee

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Report Highlights:

Post provides an informal translation of Decrees Nr. 7,035 and 7,036 which were published in Official Gazette Nr. 39.303, regarding the expropriation of two coffee processors.

General Information:

Decrees Nr. 7,035 and 7,036 which order the expropriation of coffee processors Fama de America C.A. and Cafea C.A. were published on Official Gazette Nr. 39,303 dated November 10th, 2009.

Informal Translation follows:

To accomplish the major political efficiency and revolutionary quality in the construction of

socialism; through people's command and in performance of the attributions conferred by the Constitution of the Bolivarian Republic of Venezuela's Article 236's Number 2 and 11, according to provided in Articles 115 and 305 *ejusdem*; and according to that provided in the article 3 of the Decree with order, value and power of the Organic Law of Security and Agroalimentary Sovereignty, and article 5 of the Law of Expropriation caused by Public or Social Usage in Ministries' Counsel,

CONSIDERING

That it is the duty of the State to guarantee people's sovereignty and food security, adopting the necessary measures to obtain self-sufficient strategic levels and guaranteeing the availability, access, exchange, and equal distribution of foods in a stable way to the whole population so that physical and emotional conditions adequate for comprehensive and sustainable human development be given,

CONSIDERING

The Decree with order, value and power of the Organic Law of Security and Food Sovereignty states as of public order, public usage and social concern the activities that assure the viability and opportune access to quality and sufficient innocuous foods for the population as much as the goods necessary to develop such activities and expressly points out the possibility of proceeding to the acquisition by force of the goods related to such activities without the need to obtain authorization from the National Assembly. Likewise, it provides with the possibility for agents and competent entities to establish special measures and actions that permit the controlling or avoidance of distortions regarding distribution and exchange in the national market,

CONSIDERING

That Coffee represents a huge traditional and cultural value for the Nation, being a high-consumption commodity for Venezuelans, and constitutes the only livelihood means for 175,000 small coffee-producing families,

CONSIDERING

That the local market has been affected by a shortage of green coffee due to that commodity's increase of prices in neighboring countries, generating smuggling situations,

CONSIDERING

That the Company **Fama de America, C.A.** has consolidated itself in the processing and distribution of coffee in the country, acquiring up to 30% of the local production, shifting small and medium coffee producers out of every area,

DECREEES

Article 1.- It is commanded the acquisition by force of Mercantile Society **Fama de America C.A.** as well as its subsidiaries and branches, tangible and intangible assets, real state and personal properties, facilities that constitute or serve for the functioning of Distribution Centers, Warehouses and Purchase Centers, as well as the rights corresponding to the commercial brand named **FAMA DE AMERICA** which includes products that belong to the so called Mercantile Society, specified in the present Article for the execution of the work "COFFEE'S AGROINDUSTRIAL INFRASTRUCTURE CONSOLIDATION", which shall start up the Agroindustrial Plant for coffee processing means in order to promote the area's endogenous development, as well as the protection and generation of new work sources.

The work "COFFEE'S AGROINDUSTRIAL INFRASTRUCTURE CONSOLIDATION," will be executed by the Peoples Ministry for the Agriculture and Lands according to corresponding legal dispositions.

DECREES

Article 1.- It is commanded the acquisition by force of Mercantile Society **CAFEA C.A.**, of its real state and personal properties, tangible and intangible assets as well as the facilities that constitute or serve for the functioning of an Agroindustrial Plant for coffee processing located in Táchira State, as well as the rights corresponding to the commercial brand named **CAFEA C.A. CAFE INSTANTANEO** which includes products that belong to the so called Mercantile Society, specified in the present Article for the execution of the work "COFFEE'S AGROINDUSTRIAL INFRASTRUCTURE CONSOLIDATION IN THE ANDEAN REGION", which shall start up the Agroindustrial Plant for coffee processing in order to promote the area's endogenous development, as well as the protection and generation of new work sources.

The work "COFFEE'S AGROINDUSTRIAL INFRASTRUCTURE CONSOLIDATION IN THE ANDEAN REGION," will be executed by the Peoples Ministry for the Agriculture and Lands according to corresponding legal dispositions.

End informal translation

Note:

The text of the document and article is the same for both Companies Fama de America and Cafea C.A. The only slight variation is found in the text of the Decree as seen above.